

Minutes of the Finance Committee

Wednesday, May 21, 2014

Chair Heinrich called the meeting to order at 8:31 a.m.

Present: Supervisors Jim Heinrich, Larry Nelson, Duane Paulson, Richard Morris, Steve Whittow, Bill Zaborowski, and Eric Highum.

Also Present: Chief of Staff Mark Mader, Engineering Services Manager Gary Evans, Accounting Services Manager Cynthia Lilley, Children & Family Services Manager Lisa Roberts, Health & Human Services Deputy Director Laura Kleber, Adolescent & Family Services Manager Peter Slesar, Senior Financial Analyst Clara Daniels, Parks & Land Use Director Dale Shaver, UW-Extension Co-Director Melinda Stuart, Office Services Coordinator Lisa Lake, Enterprise Operations Manager Dave Burch, Senior Civil Engineer Karen Braun, Business Manager Betsy Forrest, Building Operations Manager Shane Waeghe, Senior Financial Analyst Rob Dunn, Radio Services Administrator Chris Petterson, Business Manager Lyndsay Johnson, Sheriff Dan Trawicki, Deputy Inspector Jim Gumm, Aging & Disability Resource Center (ADRC) Manager Luann Page, ADRC Coordinator Mary Smith, Accounting Services Manager Larry Dahl, and Principal Financial Projects Analyst Bob Ries. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of 5-7-14

MOTION: Zaborowski moved, second by Whittow to approve the minutes of May 7. Motion carried 7-0.

Schedule Next Meeting Date

- May 27 (6:15 p.m.)
- June 4 (8:30 a.m.)

Chair's Executive Committee Report of 5-19-14

Heinrich highlighted the following items discussed at the last Executive Committee meeting.

- Supervisor Peter Wolff was elected secretary of the Executive Committee.
- Approved two ordinances and three appointments.
- The *Freeman* was approved as the official County newspaper.
- Schubert discussed, and the committee subsequently approved, the audit scope for third party billing in the Mental Health Division.
- Heard committee reports by standing committee chairs.
- Heard an IT projects update by Information Technology Manager Mike Biagioli.

Contract Procurement Process for Engineering Design Services, CTH C (Genesee Street), Mill Street to Oakwood Road

Evans indicated the contract was awarded to One Source Consulting, the highest rated proposer, for a total contract cost of \$150,061. The amount budgeted was \$130,000. Staff will propose increasing the project budget, currently \$2,063,000, in the 2015-2019 Capital Projects Plan to cover the increased cost associated with this portion of the project. Twelve contractors submitted RFPs for consideration and two were interviewed.

MOTION: Nelson moved, second by Morris to approve the contract procurement process for engineering design services, CTH C (Genesee Street), Mill Street to Oakwood Road. Motion carried 7-0.

Ordinance 169-O-020: Modify The 2014 Health And Human Services Budget To Accept Additional Revenue And Expenditures Related To The Children With Special Needs Program And Create Two Positions

Lilley and Roberts discussed this ordinance which authorizes the department to accept and appropriate \$1,536,925 of additional State funding for the Children with Special Needs Program to serve additional children with long-term support needs. A portion of this increase (\$688,390) will continue in future years to fund new children on the caseload. The remaining \$845,535 is short-term funding for two years to fund new children on the waitlist and children who will age out of the system when funding ends.

In order to manage the increased caseload (46 long-term and 19 short-term), staff has determined that additional positions are necessary. This ordinance authorizes creating two full-time equivalent (FTE) Social Worker positions effective July 1, 2014. The positions are projected to generate approximately \$9,858 of revenue from billable hours in 2014 once the personnel are trained. The ordinance appropriates fee revenues of \$9,858 and State Stop Gap Funding of \$65,492 to fund personnel costs (\$68,890) for the period of July through December 2014, computer equipment and mileage costs (\$5,740), and telephone charges (\$720).

The full-year cost impact of the positions is \$124,100. The Department will manage the 2015 projected year budget impact within base budget resources including unfunding and/or abolishing the position(s) as necessary. The two positions are projected to generate approximately \$78,900 per year in client service coordination billable hours.

Lilley indicated this program serves children (and their families) who are developmentally, physically, and/or emotionally disabled. This is a permanent allocation that will continue each year. Paulson noted no County tax levy is involved with this ordinance. Lilley advised these are sunset positions and will be reduced or terminated as funding is reduced or terminated.

MOTION: Paulson moved, second by Zaborowski to approve Ordinance 169-O-020. Motion carried 7-0.

Ordinance 169-O-018: Reauthorize The Use Of The Secure And Non-secure Detention Facilities For The Short-Term Detention Of Juveniles

Slesar and Kleber discussed this ordinance which reauthorizes the department to continue use of a 72-hour hold option at the Juvenile Center to detain youth adjudged delinquent without the need for an additional court hearing. The 72-hour hold is limited to being used as a consequence of violating terms of a dispositional order. Slesar noted the 72-hour hold is used as a last resort when no other options are viable which he explained further. The use of the 72-hour hold option was originally authorized through enrolled ordinance 158-O-129 in 2004 which included a sunset provision and has been reauthorized for consecutive two-year periods through June 30, 2014. This ordinance reauthorizes the 72-hour hold option and continues the sunset provision for an additional 24 months to June 30, 2016.

Placements in the Juvenile Center under the 72-hour hold provision have been funded within the existing Juvenile Center Program budget. The concern that this policy may result in overcrowding at the Juvenile Center has not been experienced in the last two years. Staff indicates that in the last two years, the 72-hour hold option was only applied in secure detention ten times for 27 days in 2012 and seven times for 17 days in 2013 for Waukesha County youth. All were males with the exception of one female held at Washington County in 2012 for two days in 2012. Staff anticipates that estimated costs associated with the 72-hour hold policy will be low and continue to be absorbed within the Department's existing and future budget appropriations.

MOTION: Paulson moved, second by Morris to approve Ordinance 169-O-018. Motion carried 7-0.

Ordinance 169-R-001: Resolution To Support Receipt Of Funding Grant From WisDOT Transportation Alternatives Program (TAP) For The Waukesha To Brookfield Connector Bicycle-Pedestrian Facility Project

Burch explained this resolution which outlines the County's support in applying for Wisconsin Department of Transportation (WisDOT) funding to cover most of the costs of building a multi-use trail between the Cities of Waukesha and Brookfield (capital project 201407). Staff estimate this funding (which WisDOT receives through the Federal Transportation Enhancement grant) at about \$2,344,000 or 80% of the estimated project costs of approximately \$2,980,000.

Burch explained this project in detail and displayed an aerial map outlining the area. This project was adopted into the 2014-18 Capital Project Plan and \$50,000 for preliminary design work was included in the adopted 2014 Capital Projects budget. The project budget includes \$2.3 million of outside revenue to fund construction planned for the 2016 and 2017 budget years. No additional dollars are appropriated through this resolution.

Higum was concerned the connection to the existing trail would involve riding on Brookfield Road which he said was too busy and narrow to accommodate bicyclists. Burch said bicyclists can use Brookfield Road or they can take the alternate route to the connecting point which would only involve crossing Brookfield Road.

MOTION: Paulson moved, second by Morris to approve Ordinance 169-R-001. Motion carried 7-0.

Ordinance 169-O-011: Approval Of Intergovernmental Agreement Between The Waukesha County Housing Authority And The City Of Waukesha Housing Authority For The Housing Choice Voucher Program

Shaver discussed this ordinance which authorizes the Waukesha County Housing Authority (WCHA) to enter into an intergovernmental agreement with the City of Waukesha Housing Authority (WHA) to provide legal authority to the WHA to administer the Housing Choice Voucher Program (HCVP) throughout the geographic area of Waukesha County.

The WHA's HCVP is currently administered separately by the WHA and allowable costs are federally reimbursed. An analysis conducted by WHA staff concluded that the consolidation of HCVPs within the County would result in a net savings of approximately \$17,600 in 2014 for the WHA mainly due to savings generated from combining accounting and audit costs. This ordinance results in no direct County tax levy impact.

MOTION: Paulson moved, second Morris to approve Ordinance 169-O-011. Motion carried 7-0.

Ordinance 169-O-007: Accept Additional Community Development Block Grant (CDBG) And Home Investment Partnership (HOME) Program Funds For The 2014 Program Year, Modify The 2014 Budget, And Authorize The Execution Of Agreements For The Programs

Shaver discussed this ordinance which modifies the 2014 CDBG Program to increase appropriation authority for operating expenditures by \$140,005 to match the HUD approved CDBG grant and HOME Program awards. The 2014 HUD award for the County's CDBG Program is \$1,334,028 which is \$84,122 higher than the 2014 adopted budget appropriation of \$1,249,906. In addition, the 2014 HUD award for the County's HOME Program is \$1,104,785 which is \$55,883 higher than the 2014 adopted budget appropriation of \$1,048,902. The adopted budget is not based on the final HUD grant notification due to timing delays in receiving the Federal grant notification.

The ordinance also authorizes subgrantee agreements necessary to cover allocations made by the County Executive, CDBG, and HOME Consortium Board for the increased funding. This ordinance results in no direct County tax levy impact.

MOTION: Nelson moved, second Paulson to approve Ordinance 169-O-007. Motion carried 7-0.

Ordinance 169-O-012: Authorize Waukesha County UW-Extension Office To Accept And Appropriate Funds From The Sheriff's Department For The Huber Garden Project

Stuart and Lake were present to discuss this ordinance which authorizes UW- Extension to accept and appropriate \$1,500 from the Sheriff's Department for the 2014 Huber Garden Project. This award is intended to help supplement funding from the Food Pantry of \$3,000 to provide lessons to Huber inmates on horticulture practices, food safety, and financial literacy while partnering with the Wisconsin Nutrition Education Program. Huber inmates will be tending to the garden by weeding, planting, harvesting and watering. In addition, the vegetables harvested will donated to the Food Pantry at the end of the project.

Paulson asked where the funds are coming from. Stuart said they are seized funds.

MOTION: Zaborowski moved, second by Whittow to approve Ordinance 169-O-012. Motion carried 7-0.

Ordinance 169-O-008: Sale Of Excess Right Of Way – 5510 Racine Avenue, City Of New Berlin

Braun discussed this ordinance which authorizes the sale of about 1.49 acres of land originally acquired as right-of-way for a highway improvement project (#9903) on County Trunk Highway Y (Racine Avenue). The project was completed in 2010. The land has been determined to be excess right-of-way and staff estimate sale proceeds may be between \$25,000 and \$35,000 to be accounted for in the General Fund. No additional funds are being appropriated with this ordinance.

Braun said this lot has been on the books for quite a while. She described the property as having a very steep grade which would require large retaining walls but it is buildable and it perked for a conventional septic system.

MOTION: Morris moved, second by Zaborowski to approve Ordinance 169-O-008. Motion carried 7-0.

Ordinance 169-O-009: Sale Of Excess Right Of Way – 5565 Racine Avenue, City Of New Berlin

Braun reviewed this ordinance which authorizes the sale of about 0.618 acres of land originally acquired as right-of-way for a highway improvement project (#9903) on County Trunk Highway Y (Racine Avenue). The project was completed in 2010. The land has been determined to be excess right-of-way and staff estimate sale proceeds may be between \$15,000 and \$25,000 to be accounted for in the General Fund. No additional funds are being appropriated with this ordinance.

Braun said this property too has been sitting on the books for quite some time. It is not a very desirable lot but it is buildable and it perks for a mound system.

MOTION: Morris moved, second by Whittow to approve Ordinance 169-O-009. Motion carried 7-0.

Ordinance 169-O-010: Laying Out, Relocation And Improvement Of County Trunk Highway CW, Waukesha County Project, Project I.D. 2949-00-00/Capital Project #200810, Waukesha County Limits To 1,661 Feet East Of Amber Lane, Town Of Oconomowoc, Waukesha County

Braun explained this ordinance which identifies right-of-way acquisitions of about 1.52 acres for relocation and improvement of CTW CW as part of a bridge improvement capital project (#200810). Staff estimate these costs at \$72,000 which are within this capital project's land acquisition budget of \$75,000. No additional funds are being appropriated by this ordinance.

MOTION: Paulson moved, second by Zaborowski to approve Ordinance 169-O-009. Motion carried 7-0.

Fund Transfer 2014-400-1: Public Works – Transfer Funds from Operating Expenses to Fixed Assets

Forrest and Waeghe were present to discuss this item. A mechanical inspection at the UW-Waukesha facility has identified a need to repair and replace a mechanical room roof and pedestrian bridge (attached to roof) to address structural deficiencies at an approved bid of \$374,100 (Public Works Committee meeting March 2014). This transfer requests funds within the 2014 Building Improvement budget to be allocated for this project and transfers funds to the fixed asset appropriation unit to properly account for this project. The modified 2014 fixed assets budget already includes \$175,000 carried over from the 2013 budget due to the timing of the bid proposal. The project was determined to be a maintenance project, not a capital project, and will be funded through the department's Building Improvement Plan (BIP).

Additional funds are available in the Operating Expenses of the Building Improvement budget because a portion of the annual budget is planned for unexpected projects throughout the year. Forrest noted that \$80,000 of these funds are being used for this transfer. Other funds being used include \$60,000 which was already budgeted for UW-Waukesha projects yet budgeted in the Operating Expenses appropriation unit, \$15,000 of roof patching at UW-Waukesha, and \$45,000 to remove and replace the epoxy floor at the Highway Operations Center, based on this project being a priority.

MOTION: Nelson moved, second by Zaborowski to approve Fund Transfer 2014-400-1, Public Works. Motion carried 7-0.

Contract Procurement Process for HVAC Controls and Equipment Services

Waeghe advised the contract was awarded to Environmental Systems, Inc., the highest rated proposer, for a total contract cost of \$399,971 for three years. The first year budgeted amount was \$105,000 and the first year cost is \$101,151.50. Two contractors submitted RFPs for consideration.

MOTION: Zaborowski moved, second by Highum to approve the contract procurement process for HVAC controls and equipment services. Motion carried 7-0.

Ordinance 169-O-017: Appropriate Radio Replacement Dollars To Purchase Replacement Radios For Digital Radio Upgrade Project And Modify Waukesha County Radio Services 2014 Budget To Authorize Expenditures

Petterson and Dunn explained this ordinance which appropriates accumulated reserved radio equipment replacement plan dollars to purchase, program, and install the new radios. Departments utilizing the County radio system have contributed \$2,681,000 to the Radio Equipment Replacement Plan since 2000 through annual interdepartmental charges included in departmental budgets. The Digital Radio System Upgrade capital project (#200815) will be implemented in 2014 and will require participating agencies to upgrade to Project 25 (P25) compliant radios and equipment.

The proposed ordinance will appropriate \$2,681,000 of this fund balance to increase operating expenses by \$2,621,000 to purchase the radios and equipment and increase interdepartmental charges by \$60,000 for programming and installation.

While Radio Services and the vendor are currently working with departments to determine the best mix of radios to fit their needs, staff estimate that the amount appropriated will be more than sufficient. To fund the eventual replacement of the new radios, departments will continue to pay into the Radio Equipment Replacement Plan, adjusted to factor in the new radio inventory. No direct County tax levy impact is anticipated from this ordinance.

MOTION: Paulson moved, second by Whittow to approve Ordinance 169-O-017. Motion carried 7-0.

Ordinance 169-O-014: Accept Joint Federal Justice Assistance Grant And Modify Waukesha County Sheriff Department's 2014 Budget To Authorize Grant Expenditures

Johnson, Trawicki, and Gumm were present to discuss this ordinance which authorizes appropriating \$5,306 of Edward Byrne Justice Assistance grant funds in the Sheriff's 2014 budget in partnership with the City of Waukesha Police Department. The City will act as the grant fiscal agent and will provide the County with the funds to purchase equipment to enhance law enforcement operations. Operating impacts, estimated to be nominal for the purchases, will be absorbed within the department's base budget. The equipment will not be added to an equipment replacement plan and any future replacement will not be levy-funded. The funds will be used to train two computer forensics staff (\$4,000) and for equipment in the Computer Forensics Unit (\$1,306). This includes two laptops, a printer, and recording software. County indirect costs are not covered by the grant.

MOTION: Zaborowski moved, second by Morris to approve Ordinance 169-O-014. Motion carried 7-0.

Ordinance 169-O-015: Amend The Sheriff's Department 2014 Budget For The Expenditure Of Office Of National Drug Control Policy Cooperative Agreement Funds

Trawicki discussed this ordinance which allows the department to accept Office of National Drug Control Policy cooperative agreement award funds totaling \$45,416. The 2014 adopted budget included \$4,672 of Milwaukee High Intensity Drug Trafficking Area (HIDTA) grant funds. This ordinance further authorizes the department to appropriate \$40,744 of non-appropriated cooperative funds in the 2014 budget bringing the total budgeted HIDTA funds to \$45,416.

The funds will be used to purchase overtime and corresponding benefits (\$19,621), vehicle leases (\$4,988), surveillance equipment (\$12,635), and software licensing and a money counter maintenance agreement (\$3,500). These purchases support the investigation and enforcement activities by HIDTA which includes Waukesha County. The equipment identified will not be added to any equipment replacement plan and any future replacement will not be levy-funded.

MOTION: Nelson moved, second by Zaborowski to approve Ordinance 169-O-015. Motion carried 7-0.

Ordinance 169-O-016: Amend The 2014 Sheriff's Department Budget For The Expenditure Of Seized Funds For Multiple Purchases—May 2014

Trawicki discussed this ordinance as outlined. Enrolled ordinance 141-41 (1986) authorized the Sheriff's Department to participate in a Federal program which transfers forfeited assets (seized funds) to those state and local agencies that contributed directly to the seizure of that property. Federal guidelines require that these seized funds must be used to enhance law enforcement activities, not to supplant existing adopted budget appropriations.

The department currently has a balance of undesignated seized funds totaling \$154,900. Staff are requesting to use up to a maximum of \$41,650 to purchase the following: card access in the jail (\$19,500), tasers (\$10,450), dive equipment (\$4,000), cameras (\$2,300), card access to evidence storage room (\$1,500), Huber Gardening Project (\$1,500), motorcycle patrol uniform (\$1,400), and recruitment items (\$1,000).

Staff estimate ongoing operating and maintenance costs for these items to be minimal and will be the responsibility of the department. The additional costs will be absorbed within the current and future base budgets. None of these purchases are planned for inclusion in a replacement plan. Future equipment replacements, if necessary, are expected to be purchased with non-tax levy funding. This ordinance results in no additional direct County tax levy impact in 2014.

MOTION: Highum moved, second by Whittow to approve Ordinance 169-O-016. Motion carried 7-0.

Ordinance 169-O-019: Accept Wisconsin Department Of Health Services Dementia Grant Funding And Modify The 2014 Health And Human Services Aging And Disability Resource Center Division Budget

Smith and Page discussed this ordinance which authorizes the department to accept \$53,335 of State Dementia Grant funding for 2014 and \$80,000 for 2015. An annual grant award of \$80,000 was

awarded for calendar year 2014 and 2015. A prorated amount of \$53,335 is available for the period of May 1, 2014 to December 31, 2014. The full funding award of \$80,000 is expected in 2015 and is planned to be appropriated as part of the 2015 budget process. The 2014 grant appropriation will include \$43,400 for a contracted Dementia Care Specialist, \$1,500 for material costs, \$3,675 for travel and training costs, and \$4,760 for interdepartmental charges (computer, telephone and other indirect costs). This ordinance results in no direct tax levy impact on the 2014 budget.

MOTION: Nelson moved, second by Zaborowski to approve Ordinance 169-O-019. Motion carried 7-0.

Educational Presentation on the Waukesha County Bond Issuance

Dahl and Ries were present to discuss this item. Dahl said this is a typical bond issue for the County. The ordinance, to be considered on May 27 after the bid process, authorizes the sale of \$10,000,000 general obligation promissory notes. The bond is for a 10-year period and the last three years will be called whereby the County can pay off those last three years early. Both Moody's and Fitch has reaffirmed the County's triple A bond rating. Dahl and Ries discussed the bid process and bond guidelines.

Mader asked if anyone attended the recent bond meeting and did Moody's talk about changing how they look at fund balance. Daniels said Moody's advised they are using a new scorecard. They seemed to indicate they preferred a slightly higher fund balance but did not specify how much.

1st Quarter Report on Investments

Ries reviewed his report as outlined including the highlights, investment yield, investment revenue, average daily balance, average investment rates, and the investment portfolios. The total return for the quarter was up 13 basis points from last quarter, to 0.46%. The main factor contributing to the increase was an increase in realized gains on sales of securities during the 1st quarter totaling \$304,624. For the year ending March 31, 2014, the overall portfolio returned 1.82%. Total interest earnings for the quarter were \$873,042, up \$345,315 from the 4th quarter, due largely to the increase in realized gains as compared to the prior quarter. Average invested balances increased by \$33.3 million consistent with the County's cash flow trend.

MOTION: Highum moved, second by Whittow to accept the 1st quarter report on investments. Motion carried 7-0.

MOTION: Zaborowski moved, second by Whittow to adjourn at 11:55 a.m. Motion carried 7-0.

Respectfully submitted,

William J. Zaborowski
Secretary